

The special meeting of the Finance Committee was held on Thursday April 28, at the Genesis Spa Creek Center, Annapolis, MD. Alderman Israel called the meeting to order at 3:10 p.m.

Present on roll call: Aldermen Israel and Pfeiffer, Alderwoman Hoyle  
Aldermen Arnett and Kirby

Staff: City Manager Mallinoff, Assistant City Attorney Elson, Public Works Director Jarrell, Chief of Comprehensive Planning Burke, Acting Director of Human Resources Rensted, Fire Chief Stokes, Investigator/FF 1<sup>st</sup> Class Spriggs, Finance Consultant Donovan.

Mr. Elson spoke on behalf of the Office of Law, offering a review of the office budget and their proposed enhancements.

Mr. Mallinoff spoke on the status of the police station construction settlement negotiations.

There was general discussion of the enhancements in the budget. There was general discussion of the community grants.

Alderman Arnett and Israel discussed the future of the community grants program. Mr. Miller discussed the current status of the outstanding capital grants.

Mr. Mallinoff and Mr. Rensted offered an update on Labor Negotiations. Mr. Rensted stated that he expects an agreement to be reached within the next two weeks. There was general discussion of the pay plan and its accompanying legislation.

There was discussion of the following sections of code:

- 3.12.070a (Pay Plan)
- 3.08.030 (Exempt Service Salaries)
- 3.12.20 (City Council Duties on the Civil Service Plan)

Alderman Israel requested that the pay plan be included in the budget book and updated annually.

Alderwoman Hoyle suggested that the consultant used for the pay plan be reviewed.

Mr. Miller discussed the status of the Police and Fire Retirement Fund. Mr. Miller stated that we are 89% funded at this time. Mr. Mallinoff stated that current labor negotiations may address some of the funding issues with this fund. Mr. Mallinoff stated that there is a line item in this year's budget to increase the finding of the fund.

Alderman Israel inquired whether the furlongs affected the contributions to the pension plans. Mr. Mallinoff stated that it did not change the contribution levels. There was discussion about changes to the state pension and how that will affect city employees.

Alderman Israel discussed the process for the remaining budget meetings.

Alderman Israel requested an amendment to O-10-11 to indicate that the legislation refers to the budget as supplemented by the proforma budget of April 28, 2011 and modified by the report of the finance committee and acted upon by the city council.

The committee discussed looking at citywide modifications first and then discuss departmental suggestions.

Alderman Israel suggested a public hearing on the modified budget on May 9th.

Alderman Israel introduced his suggestions for the budget.

On or before September 15, 2011 the City Manager shall submit to the council a plan for the consolidation of city vehicle repair and maintenance facilities.

*Mr. Mallinoff suggested that the date be changed to October 15*

No funds from any source may be expended on compensation for a contractual employee whose position is being converted to a civil service position until the civil service board approves the conversion

*These conversions have been approved by the civil service board*

No funds from any source may be expended on compensation for a contractual employee whose position is being converted to an exempt position until legislation is enacted declaring the position to be in the exempt service.

*Legislation has been introduced and has been referred to Rules and City Government*

No funds from any source shall be expended for overtime in excess of the appropriation to a department for overtime until the director has submitted to the city manager a plan for controlling overtime costs.

*The committee believes the overtime has been well addressed and the chair withdrew this suggestion*

By September 15, 2011 the City Manager shall recommend two major capital assets for disposition. If the recommendation is accepted by the city council, the City Manager shall arrange for the sale of the assets on a competitive bid basis.

*Mr. Miller suggested an overall report on assets as opposed to making two specific recommendations for disposition.*

No funds from any source may be expended to provide compensation to an individual to fill a vacancy without the express approval of the City Council.

*The committee discussed vacancies and the possibility of a hiring freeze. There was discussion of seeking advice (notice to the council and justification) rather than consent.*

No funds from any source shall be expended to purchase a motor vehicle for any city personnel until the city manager submits a report to the council which sets out criteria for the assignment and use of vehicles.

*Mr. Mallinoff stated that there is a policy that he is refining and he will provide that to the council. There was discussion of using a vehicle pool.*

There was discussion of Minor Carters contract for Government Affairs. Mr. Miller stated that there is 20,000 allocation in the budget already this year.

There was general discussion on the position of an assistant to the City Manager.

Alderman Pfeiffer discussed the importance of purchasing license plate recognition software. Mr. Miller suggested that the offset could be the additional revenue created by the technology.

Mr. Mallinoff discussed the CIP and stated that it is substantially less then the previous year.

The committee discussed the CIP project on Maryland Avenue. Ms. Burke stated that it is not funded in the current year.

*Mr. Jarrell stated that he will share the departments' priority project list.*

There was discussion of a feasibility study of County vs. City water plant. There was discussion of the ways to get the study. It was decided that a study shall be completed in the next three months.

Alderman Israel discussed the possibility of authorizing a municipal corporation to levy a .5 cent sales tax.

The committee reviewed the suggestions of Mr. Donovan. (Attached)

There was discussion of how grant funding is accounted for in the budget.

Mr. Miller discussed changes in this year's budget and how he plans to make changes in next years.

Mr. Mallinoff discussed the process that will be used if the union contracts require more funding for covering salaries.

Alderman Arnett discussed the need to reduce this year's budget in preparation for an anticipated reduction of revenue of approximately 2.5 million in the tax revenues in 2013.

Alderman Pfeiffer suggested that we look at a 1.25 million dollar decrease in the budget (by increases in revenue and/or decrease in spending) in order to begin addressing the anticipated shortfalls of 2013.

Upon motion duly made, seconded and adopted, the meeting was adjourned at 5:13 p.m.

Hilary Roggio Raftovich  
Standing Committee Clerk